Approved by:
the ERC Resolution No. 6
dated February 13, 2002

METHODOLOGIES

On Calculation of Payments for Services Rendered by Customer to Sub-Customer to Ensure the Reliability of Electricity Supply

1. These methodologies shall define the procedure of calculation of supplementary costs to be paid by the electricity supplying company for electricity transmission services rendered to the other customer (sub-customer) via the energy facilities of the customer and/or for feeding of distribution networks.

2. The electricity supplying company shall reimburse those supplementary costs of the customer which occur in the process of usage of facilities owned by the customer or being under his control, for feeding of the distribution networks or for electricity supply of the other customers while conducting the following operations:

   a) transmission of electricity via 0.22-110 kV facilities (cables, overhead lines, commutation devices);
   b) voltage transformation of 110/35/6 (10) kV, 35/0.4 kV, 6 (10)/0.4 kV.

3. The electricity supplying company shall not reimburse the costs of the customer integrated in the 0.4-35 kV general circle scheme if the feeding of the given customer in certain regime can be implemented through each line within the distribution network circle or through the distribution facility.

4. The relationships of the electricity supplying company and the customer associated with the reimbursement of costs calculated on the basis of this Methodology, are regulated by the Rules of Power Use and Supply, by the contract, which shall contain as its integral part the settlement act developed in conformance with this Methodology.

5. Non-compliance of the settlement act mentioned in point 4 of this document should not be considered the valid ground for termination of electricity supply of the customer or sub-customer.

6. The monthly charge for services of the customer to ensure the electricity supply of the sub-customer is calculated by the following formula:

   $$C = \alpha_1 \times n_1 \times W_1/W_2 + \alpha_2 \times n_2 + W_{sub} \times (\alpha_3+\alpha_4+\alpha_5) + \alpha_6 \times T \times W_{sub}/100$$

   in which:

   C – monthly charge for rendered services (in AMD)

W_{sub} – volume of electricity metered by means of commercial meters of the sub-customer (kWh)

n_1 – number of cells feeding the sub-customers at 110, 35, 6 (10) kV potential substations

α_1 – the monthly charge for per cell (4800 AMD before VAT)

W_1 – the monthly volume of electricity consumed by the sub-customer by means of the given cell

W_2 – total monthly volume of electricity passed through the given cell

n_2 – number of connection points of 0.22-0.4 kV sub-customers

α_2 – the monthly charge for use of one connection point (260 drams before VAT)

α_3 – the service charge for transformation per kWh of electricity at 110 kV potential substations (0.482 dram/kWh before VAT)

α_4 - the service charge for transformation per kWh of electricity at 35 kV potential substations (0.863 dram/kWh before VAT)

α_5 – the service charge for transformation per kWh of electricity at 35 kV potential substations (0.97 dram/kWh before VAT)

α_6 – the customers transformer and lines losses resulted from the consumption of electricity by the sub-customer (%)

$$\alpha_6 = \alpha' + \alpha''$$

T – tariff for the customer (day-time, dram/kWh)

The customer transformer and lines losses resulted from the consumption of electricity by the sub-customer are calculated according to the table below:

	Transformer losses, α'	Line losses, α''
Customers of 35 kV and more	1.3%	2 %
Customers fed from the 6 (10) kV direct cell	1.3 %	2 %
Customers fed from the 6 (10) kV indirect cell		2 %
0.22-0.4 kV customers		2 %